

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **August 12, 2003**

AGENDA ITEM NO.: 20

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Capital Grants Program for Businesses Impacted by City Projects**

RECOMMENDATION: Establish a capital grants program, to be administered through Lynch's Landing, in an initial aggregate amount of \$50,000 to provide grants of up to \$5,000 each for capital improvements to businesses impacted by City projects.

SUMMARY: Staff has previously discussed with Council the creation of some mechanism to acknowledge the sacrifice made by businesses impacted by City capital projects. This idea arose from concerns about the possible negative impact of the Ninth Street CSO and streetscape work on Main Street businesses, particularly during the period when the intersection of Main Street and Ninth Street will be closed. Staff initially examined the feasibility of forgiving business license tax payments for the period that the intersection would be closed and estimated that the cost to the City might be in the range of \$40-45,000. As directed by Council, staff looked at only those businesses with a retail presence on Main Street. The analysis indicated that, in the aggregate, the value of the gross receipts tax is only about \$500 a week. Dividing that among the businesses seems to be more trouble than any benefit that the businesses would derive. Due to the limited benefit, the administrative difficulties in administering such a program and other concerns, it is suggested that the original idea be set aside in favor of an alternative program that would be easier to administer and would provide more of a benefit to affected businesses.

The proposal is to set up a grant fund of \$50,000 to provide mini-grants of up to \$5,000 each for capital improvements to businesses impacted by City projects. The program would be administered by Lynch's Landing. If approved by Council, staff would work with Lynch's Landing to establish criteria for the grants and an application process. Businesses that met the criteria could receive grants to support capital improvements, including fixtures and equipment, to their facilities. In this way, the City would recognize the impact of the City project on the businesses and would provide some relief to those interested businesses that would enhance both the business and its taxable value.

PRIOR ACTION(S): August 5, 2003 Finance Committee

FISCAL IMPACT: \$50,000 from the General Fund Reserve for Contingencies.

CONTACT(S): Kimball Payne

ATTACHMENT(S): none

REVIEWED BY: lkp

Resolution

BE IT RESOLVED that the FY 2004 General Fund Budget is amended and \$50,000 is appropriated from the FY 2004 General Fund Reserve for Contingencies for a capital grants program, to be administered through Lynch's Landing, in an initial aggregate amount of \$50,000 to provide grants of up to \$5,000 each for capital improvements to businesses impacted by City projects.

Introduced:

Adopted:

Certified:

Clerk of Council

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